

REGULATION OF THE GOVERNMENT OF THE REPUBLIC OF INDONESIA
NUMBER 25 OF 2018
ON
AMENDMENT TO GOVERNMENT REGULATION NUMBER 42 OF 2006 ON
IMPLEMENTATION OF LAW NUMBER 41 OF 2004
ON WAQF

BY THE BLESSINGS OF ALMIGHTY GOD

PRESIDENT OF THE REPUBLIC OF INDONESIA,

Considering : a. that to enhance the security, effectiveness, efficiency, and accountability of the management of waqf assets and to align with regulations regarding land acquisition for development in public interests, it is necessary to refine Government Regulation Number 42 of 2006 on the Implementation of Law Number 41 of 2004 on Waqf;

b. that based on the considerations as referred to in point a, it is necessary to issue Government Regulation on Amendment to Government Regulation Number 42 of 2006 on the Implementation of Law Number 41 of 2004 on Waqf.

Observing : 1. Article 5 section (2) of the 1945 Constitution of the Republic of Indonesia;

2. Law Number 41 of 2004 on Waqf (State Gazette of the Republic of Indonesia of 2004 Number 159, Supplement to the State Gazette of the Republic of Indonesia Number

4459);

3. Law Number 2 of 2012 on Land Acquisition for Development in Public Interests (State Gazette of the Republic of Indonesia of 2012 Number 22, Supplement to the State Gazette of the Republic of Indonesia Number 5280);
4. Government Regulation Number 42 of 2006 on Implementation of Law Number 41 of 2004 on Waqf (State Gazette of the Republic of Indonesia of 2006 Number 105, Supplement to the State Gazette of the Republic of Indonesia Number 4668);

HAS DECIDED

To issue: GOVERNMENT REGULATION ON AMENDMENT TO GOVERNMENT REGULATION NUMBER 42 OF 2006 ON IMPLEMENTATION OF LAW NUMBER 41 OF 2004 ON WAQF.

Article I

Several provisions in Government Regulation Number 42 of 2006 on Implementation of Law Number 41 of 2004 on Waqf (State Gazette of the Republic of Indonesia of 2006 Number 105, Supplement to the State Gazette of the Republic of Indonesia Number 4668) are amended as follows:

1. The provision of point 12 in Article 1 is amended, and 5 (five) points are inserted between point 12 and point 13, namely point 12A, point 12B, point 12C, point 12D, and point 12E, so that Article 1 reads as follows:

Article 1

In this Government Regulation:

1. Waqf means a legal action performed by a *Waqif* to separate and/or hand over part of their assets for permanent or temporary utilization, in accordance with its purposes, for religious purposes and/or public welfare under Islamic law.
2. *Waqif* means any party that endows their assets as waqf.
3. Waqf Declaration means a *Waqif's* declaration of intent made verbally and/or in writing to a *Nazhir* for endowing their assets as waqf.

4. *Nazhir* means any party receiving waqf assets from the *Waqif* to be managed and developed them according to the intended purpose.
5. *Mauquf alaih* means any appointed party to obtain benefit from the utilization of the waqf assets in accordance with *Waqif's* declaration of intent, as documented in a Waqf Declaration Deed.
6. Waqf Declaration Deed means a proof of the *Waqif's* declaration of intent to endow their assets, to be managed by the *Nazhir* in accordance with the designation of the waqf assets as documented in a deed.
7. Cash Waqf Certificate means a certificate issued by an Islamic Financial Institution to both *Waqif* and *Nazhir* regarding cash waqf endowment.
8. Waqf Declaration Deed Official (*Pejabat Pembuat Akta Ikrar Wakaf*) hereinafter abbreviated to PPAIW means an authorized official appointed by the Minister to make Waqf Declaration Deed.
9. Islamic Financial Institution (*Lembaga Keuangan Syariah*) hereinafter abbreviated to LKS means an Indonesian legal entity operating in the field of Islamic finance.
10. Islamic Bank means an Islamic Commercial Bank, an Islamic Business Unit of a conventional commercial bank, or an Islamic Rural Bank.
11. Indonesia Waqf Board (Badan Wakaf Indonesia) hereinafter abbreviated to BWI means an independent institution having a duty to develop waqf in Indonesia.
12. Head of the Office of Religious Affairs hereinafter abbreviated to Head of KUA means an official of the ministry administering government affairs in the field of religion at the sub-district level.
- 12A. Head of the Provincial Office of the Ministry of Religious Affairs, hereinafter referred to in the Head of Regional Office means an official of the ministry administering government affairs in the field of religion at the provincial level.
- 12B. Head of the Regency/Municipal Office of the Ministry of Religious Affairs, hereinafter referred to as the Head of Office, means an official of the ministry administering government affairs in the field of religion at the regency/municipal level.
- 12C. Determination Team for Balance of Value and Benefits in Exchange of Waqf Assets, hereinafter referred to as the Determination Team,

means a team established by the Head of Office.

12D. Land Appraiser, hereinafter referred to as Appraiser, means an individual who conducts an independent and professional appraisal who has obtained a permit to practice appraisal from the Minister of Finance and has obtained a license from the Land Agency to calculate the value/price of the object of land acquisition.

12E. Public Appraiser means an appraiser who has obtained a permit from the Minister of Finance to provide valuation services.

13. Minister means a minister administering government affairs in the field of religion.

2. The provisions of Article 14 and the Elucidation of Article 14 are deleted.
3. The provisions of Article 49 are amended to read as follows:

Article 49

- (1) Changing the status of waqf assets in the form of exchange is prohibited, except with written permission from the Minister based on considerations from the BWI.
- (2) Written permission from the Minister as referred to in section (1) may only be granted under the following considerations:
 - a. the change of waqf assets is intended for public interest in accordance with the spatial plan (*rencana umum tata ruang*, RUTR) and is under the provisions of Legislation and does not conflict with Islamic law principles.
 - b. the waqf assets cannot be utilized in accordance with the waqf declaration; or
 - c. the exchange is performed for urgent and direct religious purposes.
- (3) In the event of an exchange of Waqf assets as referred to in section (2), point a, involving Waqf assets with an area of up to 5,000 m² (five thousand square meters), the Minister delegates authority to the Head of the Regional Office to issue the written permission.
- (4) The Minister issues written permission for the exchange of Waqf assets under the exception as referred to in section (1) based on the following conditions:
 - a. the exchange assets have a certificate or valid proof of

- ownership in accordance with the provision of legislation; and
 - b. the value and benefits of the exchange assets are at least equal to those of the original Waqf assets.
- (5) The Head of the Regional Office issues written permission as referred to in section (3) based on the following conditions:
- a. approval from the Provincial BWI;
 - b. the exchange assets have a certificate or valid proof of in accordance with the provisions of legislation; and
 - c. the value and benefits ownership of the exchange assets are at least equal to those of the original Waqf assets.
4. The provisions of Article 50 are amended to read as follows:

Article 50

- (1) The value and benefits of the exchange assets as referred to in Article 49 are determined by the Head of Office based on the recommendation of the Determination Team.
- (2) The Determination Team as referred to in section (1) consists of representatives from:
 - a. the regency/municipal government;
 - b. the regency/municipal land office;
 - c. the regency/municipal Indonesian Council of Ulama;
 - d. the regency/municipal office of the ministry of religious Affairs;
 - e. the *Nazhir*; and
 - f. the sub-district office of religious affairs.
- (3) To determine the value and benefits of the exchange assets as referred to in section (1), the following conditions must be met:
 - a. the assets must be appraised by an Appraiser or Public Appraiser; and
 - b. the exchange assets are located in area that is strategic and easy to develop according to its intended purpose.
- (4) The Appraiser or Public Appraiser as referred to in section (3) point a is provided by the institution or party that will use the Waqf land, in accordance with the provisions of legislation.
- (5) The appointment of the Appraiser or Public Appraiser as referred to in section (4) is carried out in accordance with the provisions of legislation.

5. The provisions of Article 51 are amended to read as follows:

Article 51

- (1) Written permission from the Minister as referred to in Article 49 section (4) is obtained through the mechanism:
- a. the *Nazhir* submits a written application to the Minister through the Head of Office, attaching:
 1. documents relating to the Waqf assets, including the Waqf Declaration Deed or a substitute deed of Waqf Declaration Deed and the Waqf certificate or assets certificates as well as other valid proof of assets ownership in accordance with the provisions of legislation;
 2. documents relating to the exchange assets, including certificates or other valid proof of assets ownership in accordance with the provisions of legislation;
 3. an appraisal report on the Waqf assets to be exchanged and its exchange, prepared by an Appraiser or Public Appraiser; and
 4. resident identity card of *Nazhir*.
 - b. the Head of Regional Office forms a Determination Team not later than 5 (five) work days from the receipt of the application from the *Nazhir*;
 - c. the Determination Team submits a recommendation for the exchange of Waqf assets not later than 5 (five) work days after the Appraiser or Public Appraiser submits the appraisal report to the Head of Office and its copy to the Determination Team;
 - d. the Head of Office determines and sends the assessment of the Waqf assets exchange to the Minister and to the provincial BWI not later than 4 (four) work days;
 - e. the provincial BWI provides its approval to the Minister not later than 5 (five) work days after receiving the assessment of the Waqf assets exchange from the Head of Office; and
 - f. the Minister issues written permission for the exchange of Waqf assets not later than 15 (fifteen) work days from receiving approval from provincial BWI.
- (2) The written permission from the Head of the Regional Office, as referred to in Article 49 section (5) is obtained through the following

mechanism:

- a. the *Nazhir* submits a written application to the Head of the Regional Office through the Head of Office by attaching:
 1. documents relating to the Waqf assets, including the Waqf Declaration Deed or a substitute deed of Waqf Declaration Deed and the Waqf certificate, assets certificates as well as other valid proof of assets ownership in accordance with the provisions of legislation;
 2. documents relating to the exchange assets, including certificates or other valid proof of ownership in accordance with the provisions of legislation;
 3. the appraisal report of the Waqf assets to be exchanged and its exchange, conducted by an Appraiser or Public Appraiser; and
 4. resident identity card of the *Nazhir*;
 - b. the Head of the Regional Office establishes the Determination Team not later than 5 (five) work days after receiving the application from the *Nazhir*.
 - c. the Determination Team submits a recommendation for the exchange of Waqf assets not later than 5 (five) work days after the Appraiser or Public Appraiser submits the appraisal report to the Head of Office and a copy to the Determination Team.
 - d. the Head of Office finalizes and submits the assessment of the Waqf assets exchange to the Head of the Regional Office and to the provincial BWI not later than 4 (four) work days.
 - e. the provincial BWI provides its approval to the Head of the Regional Office not later than 5 (five) work days after receiving the assessment of the Waqf assets exchange from the Head of Office.
 - f. the Head of the Regional Office, on behalf of the Minister, issues written permission for the Waqf assets exchange not later than 10 (ten) work days after receiving approval from the provincial BWI.
6. One article, namely Article 51A, is inserted between Articles 51 and 52, which reads as follows:

Article 51A

- (1) Institutions or parties intending to use Waqf land are obligated to apply for a Waqf certificate for the substitute land on behalf of the *Nazhir* at the local land office not later than 10 (ten) work days after obtaining written permission from the Minister or the Head of the Regional Office as referred to in Article 51.
- (2) After receiving the application for a Waqf certificate as referred to in section (1), the local land Office issues the Waqf certificate in accordance with the provisions of legislation.
- (3) Institutions or parties that will use Waqf land conduct physical Development for public interests after:
 - a. obtaining written permission from the Minister or the Head of the Regional Office as referred to in Article 51; and
 - b. preparing temporary land and/or buildings to be used in accordance with the purpose of the Waqf assets.

7. The provisions of Article 52 are amended to read as follows:

Article 52

- (1) Financial assistance for the BWI is allocated from the budget of the ministry administering government affairs in the field of religion by the Minister determination.
- (2) The BWI is responsible to report the financing as referred to in section (1) to the Minister.

8. One article, namely Article 59A, is inserted between Article 59 and Article 60, to reads as follows:

Article 59A

The process for exchanging Waqf assets that took place before the issuance of this Government Regulation but have not received approval from the Minister is processed in accordance with the provisions of this Government Regulation.

Article II

This Government Regulation comes into force on the date of its promulgation.

In order that every person may know hereof, it is ordered to promulgate this Government Regulation by its placement in the State Gazette of the Republic of Indonesia.

Issued in Jakarta
on 28 June 2018

PRESIDENT OF THE REPUBLIC OF INDONESIA,

signed

JOKO WIDODO

Promulgated in Jakarta
on 2 July 2018

MINISTER OF LAW AND HUMAN RIGHTS OF
THE REPUBLIC OF INDONESIA,

signed

YASONNA H. LAOLY

Jakarta, 10 March 2025

Has been translated as an Official Translation
on behalf of the Minister of Law
of the Republic of Indonesia
DIRECTOR GENERAL OF LEGISLATION,



CHAHANA PUTRA

ELUCIDATION
OF
GOVERNMENT REGULATION OF THE REPUBLIC OF INDONESIA
NUMBER 25 OF 2018
ON
AMENDMENT TO GOVERNMENT REGULATION NUMBER 42 OF 2006 ON
THE IMPLEMENTATION OF LAW NUMBER 41 OF 2004 ON WAQF

I. General

To enhance the security, effectiveness, efficiency, and accountability of managing waqf assets and to align with regulations governing land acquisition for development in public interests, it needs to refine Government Regulation Number 42 of 2006 on the Implementation of Law Number 41 of 2004 on Waqf.

Some key aspects regulated in this Government Regulation are as follows:

1. For the Waqf assets exchange with an area of up to 5,000 m² (five thousand square meters), the Minister mandates to the Head of the Regional Office to issue written permission.
2. The Head of the Regional Office issues written permission based on:
 - a. approval from the provincial BWI;
 - b. the exchange assets have been certified or have valid proof of ownership in accordance with the provision of legislation; and
 - c. the value and benefits of the exchange assets are at least equal to those of the original Waqf assets.
3. The value and benefits of the exchange assets are determined by the Head of Office based on the recommendation of the Determination Team and to establish the value and benefits of the substitute assets, it must meet the following conditions appraised by an Appraiser or Public Appraiser and the substitute assets is

located in an area that is strategic is easy to be developed according to its purpose.

4. Institutions or parties that will use Waqf land are obligated to apply for a Waqf certificate for the substitute land on behalf of the *Nazhir*.

II. ARTICLE BY ARTICLE

Article I

Point 1

Article 1

Point 2

Sufficiently clear.

Point 3

Article 49

Sufficiently clear.

Point 4

Article 50

Sufficiently clear.

Point 5

Article 51

Sufficiently clear.

Point 6

Article 51A

Sufficiently clear.

Point 7

Article 52

Sufficiently clear.

Point 8

Article 59A

Sufficiently clear.

Article II

Sufficiently clear.